

**ASSEMBLY BILL**

**No. 1561**

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**Introduced by Assembly Member Roger Hernández  
(Coauthors: Assembly Members Alejo, Campos, and Lara)**

January 30, 2012

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An act to add Sections 89516.5 and 92612.5 to the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 1561, as introduced, Roger Hernández. California State University and University of California: compensation.

Existing law establishes the California State University under the administration of the Trustees of the California State University, and the University of California under the administration of the Regents of the University of California, as 2 of the segments of public postsecondary education in the state.

This bill would prohibit the trustees from entering into or renewing, and would request the regents not to enter into or renew, a contract that provides for a compensation increase, as defined, for any administrator, as defined, using state moneys or moneys from tuition or fees in a fiscal year in which the amount of General Fund moneys appropriated to the respective segment in the annual Budget Act for the current fiscal year is less than the amount of moneys appropriated to that segment in the annual Budget Act for the immediately preceding fiscal year, or if tuition or fees have been increased in the same fiscal year.

This bill would prohibit the trustees from entering into or renewing a contract that provides for the compensation of a president of a campus of the California State University to exceed \$300,000, as adjusted annually by the percentage of inflation, as specified. The bill would

request the regents not to enter into or renew a contract that provides for the compensation of a chancellor of a campus of the University of California to exceed \$326,000, as adjusted annually by the percentage of inflation, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 89516.5 is added to the Education Code,  
2 to read:

3 89516.5. (a) On or after January 1, 2013, the trustees shall not  
4 enter into or renew a contract that provides for a compensation  
5 increase for any administrator using state moneys or moneys from  
6 tuition or fees in a fiscal year when either of the following occurs:

7 (1) The amount of General Fund moneys appropriated to the  
8 California State University in the annual Budget Act for the current  
9 fiscal year is less than the amount of General Fund moneys  
10 appropriated to the California State University in the annual Budget  
11 Act for the immediately preceding fiscal year.

12 (2) Tuition or fees are increased in the same fiscal year.

13 (b) On or after January 1, 2013, the trustees shall not enter into  
14 or renew a contract that provides for the compensation of a  
15 president of a campus to exceed three hundred thousand dollars  
16 (\$300,000), as adjusted on each subsequent January 1 by the  
17 percentage of inflation, if any, occurring in the immediately  
18 preceding 12 months, specified in the California Consumer Price  
19 Index for All Urban Consumers, as published by the Department  
20 of Industrial Relations, Division of Labor Statistics and Research,  
21 or its successor index.

22 (c) As used in this section, the following terms have the  
23 following meanings:

24 (1) "Administrator" includes, but is not limited to, the  
25 Chancellor of the California State University, a vice chancellor of  
26 the university, an executive vice chancellor of the university, the  
27 general counsel of the university, the trustees' secretary, and the  
28 president of a campus.

29 (2) "Compensation" includes salary, benefits, perquisites,  
30 severance payments, retirement benefits, or any other form of  
31 compensation.

1 SEC. 2. Section 92612.5 is added to the Education Code, to  
2 read:

3 92612.5. (a) On or after January 1, 2013, the regents are  
4 requested not to enter into or renew a contract that provides for a  
5 compensation increase for any administrator using state moneys  
6 or moneys from tuition or fees in a fiscal year when either of the  
7 following occurs:

8 (1) The amount of General Fund moneys appropriated to the  
9 University of California in the annual Budget Act for the current  
10 fiscal year is less than the amount of General Fund moneys  
11 appropriated to the University of California in the annual Budget  
12 Act for the immediately preceding fiscal year.

13 (2) Tuition or fees are increased in the same fiscal year.

14 (b) On or after January 1, 2013, the regents are requested not  
15 to enter into or renew a contract that provides for the compensation  
16 of the chancellor of a campus to exceed three hundred twenty-six  
17 thousand dollars (\$326,000), as adjusted on each subsequent  
18 January 1 by the percentage of inflation, if any, occurring in the  
19 immediately preceding 12 months, specified in the California  
20 Consumer Price Index for All Urban Consumers, as published by  
21 the Department of Industrial Relations, Division of Labor Statistics  
22 and Research, or its successor index.

23 (c) As used in this section, the following terms have the  
24 following meanings:

25 (1) "Administrator" includes, but is not limited to, the President  
26 of the University of California; any vice president of the university;  
27 the regents' secretary; the treasurer of the university; the general  
28 counsel of the university; the chancellor of each campus of the  
29 university; all assistant chancellors, associate chancellors, and vice  
30 chancellors of each campus of the university; all provosts and vice  
31 provosts of each campus of the university; and the chief campus  
32 counsel of each campus of the university.

33 (2) "Compensation" includes salary, benefits, perquisites,  
34 severance payments, retirement benefits, or any other form of  
35 compensation.